



## **ELECTRIC ADVANCED METERING INFRASTRUCTURE METERS 10% CONTINGENCY**

### **Energy Delivery**

**Board of Public Utilities**  
AUGUST 11, 2025

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## **BACKGROUND**

On December 9, 2024, the Board of Public Utilities approved Work Order No. 2508277

1. Amount: \$25,250,000
2. Included the purchase of 80,000 additional Advanced Metering Infrastructure (AMI) meters with McAvoy and Markham for fiscal years 2024-2025 through 2028-2029, in the not to exceed amount of \$15,350,000



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## DISCUSSION

1. A new 17% U.S. tariff on goods from the Philippines affects Tantalus modules in RPU's AMI meters
2. The tariff is under legal review, with enforcement fluctuating; a 90-day suspension via Executive Order expires July 9, 2025
3. Tantalus is currently covering 50% of the added \$7.65-per-unit tariff, but this is not guaranteed to continue
4. RPU sources AMI meters from Itron via distributor McAvoy and Markham, with Tantalus modules integrated at the factory
5. Ongoing trade and legal uncertainty pose a high risk of increased meter costs during the rest of the deployment



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## APPROVAL REQUEST

1. Staff is requesting approval to add a 10% change order authority to the contract, consistent with standard City and Board contracting practices
2. A contingency was not originally included due to the long-term nature of the agreement, but this addition aligns the contract with other City and utility projects
3. The 10% authority will allow RPU to manage potential cost impacts, including those related to the newly imposed 17% tariff, without requiring multiple returns to the Board



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## FISCAL IMPACT

1. A 10% change order authority is requested, not to exceed \$1,535,000
2. The estimated cost impact of the 17% tariff on the remaining 70,800 meters is approximately \$542,000.
  - a) 9,200 meters were delivered prior to the tariff implementation and are not subject to the additional cost
3. Funds are available in Account 6130200-470823 – System Automation – Advanced Metering Infrastructure



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## RECOMMENDATIONS

That the Board of Public Utilities approve a 10%, or \$1,535,000, change order authority for Purchase Order No. 253356 with McAvoy and Markham for 80,000 electric meters, in the not to exceed amount of \$1,535,000 for Work Order No. 2508277 bringing the total Work Order amount from \$25,250,000 to \$26,785,000.



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